

# FREQUENTLY ASKED QUESTIONS | MinnesotaCare Buy-In

*Better Health Care Choices – Lower Prices – No Ongoing Cost to Taxpayers*

In 1992, Republican Governor Arne Carlson and a bipartisan coalition of legislators created MinnesotaCare – a health insurance plan that some eligible Minnesotans could choose to purchase for themselves and their families. Today, over 100,000 eligible Minnesotans have chosen MinnesotaCare for the high-quality health coverage they need, at prices they can better afford. Twenty-five years later, Governor Mark Dayton is seeking to build on the bipartisan successes of MinnesotaCare. To lower prices for an estimated 100,000 more Minnesotans, Governor Dayton wants to give everyone who buys their insurance on the individual health insurance market the choice to buy-into MinnesotaCare. Minnesotans who choose “MinnesotaCare Buy-In” would pay their own way – meaning the cost of their premiums is expected to pay for their coverage, without additional ongoing costs to Minnesota taxpayers. While the Minnesota Legislature did not approve the MinnesotaCare Buy-In during the 2017 legislative session, they will have the opportunity to again consider the Governor’s proposal in 2018.

## Frequently Asked Questions About “MinnesotaCare Buy-In”

<b>1</b>	<b>Who Could Purchase the MinnesotaCare Buy-In Plan?</b>	Anyone who purchases their health insurance on the individual market could choose MinnesotaCare Buy-In coverage through MNsure.
<b>2</b>	<b>How Would MinnesotaCare Buy-In Be Paid For?</b>	MinnesotaCare Buy-In would be paid for like any standard commercial health insurance product. Minnesotans who choose to purchase MinnesotaCare Buy-In coverage would pay premiums for their plan. The premiums they pay should cover the full cost of their coverage.
<b>3</b>	<b>Would Minnesota Taxpayers Subsidize Coverage for MinnesotaBuy-In?</b>	No. MinnesotaCare Buy-In enrollees would <u>pay their own way</u> – meaning the cost of their premiums should pay for their coverage, without ongoing costs to Minnesota taxpayers.
<b>4</b>	<b>What Would MinnesotaCare Buy-In Cover?</b>	MinnesotaCare Buy-In would be high-quality coverage, including the same health conditions and treatments as any standard commercial health plan. It would include all essential health benefits required by the state, and provide additional mental health, vision and dental coverage.
<b>5</b>	<b>How Would Minnesotans Purchase MinnesotaCare Buy-In Health Coverage?</b>	MinnesotaCare Buy-In would be sold on MNsure, alongside standard commercial products. Qualifying Minnesotans who purchase this coverage would also be eligible for federal tax credits through MNsure to further-reduce the cost of their health insurance coverage.
<b>6</b>	<b>How Much Would MinnesotaCare Buy-In Cost?</b>	The 2018 average monthly premium per person, before tax credits, was estimated at \$469 per month if the Legislature had passed this proposal last session; which was 13 percent less than the average 2017 monthly premium for commercial health insurance products. We expect updated premiums for the Buy-In to remain lower than projected commercial products.
<b>7</b>	<b>Why Would MinnesotaCare Buy-In Cost Less Than Other Health Plans?</b>	MinnesotaCare Buy-In coverage would leverage the buying power of over 1 million Minnesotans who are covered today in MinnesotaCare and Medicaid plans administered by the State. MinnesotaCare Buy-In premiums are projected to be lower than commercial products in the market. In fact, in previous studies of this model, the state’s purchasing

		power makes the approach more affordable for the state than providing a state subsidy program to reduce consumer premiums.
<b>8</b>	<b>When Would MinnesotaCare Buy-In Be Available?</b>	If the Legislature enacted this proposal by March 1, 2018, the MinnesotaCare Buy-In option would be available for the 2019 open enrollment period.
<b>9</b>	<b>How Efficient is the State of Minnesota in Administering MinnesotaCare?</b>	The State of Minnesota has proven it is very efficient in managing MinnesotaCare. Right now, the State lower administrative costs than standard commercial health plans, which helps keep MinnesotaCare premiums even lower.
<b>10</b>	<b>How Would MinnesotaCare Buy-In Help Provide Better Access to Care for Minnesotans?</b>	Limited health insurance options in Greater Minnesota make it difficult for some Minnesotans to choose and keep their own doctors. But the broader network of physicians and care providers available through MinnesotaCare would offer more families, all across Minnesota, a real option to choose their doctors.
<b>11</b>	<b>Why Does Minnesota Need a MinnesotaCare Buy-In Option? What Benefit Would it Provide to Minnesotans and Our Individual Health Insurance Market?</b>	More than 250,000 Minnesotans have gained access to health insurance since 2014. Now, our uninsured rate is the second-lowest in the nation, with 96 percent of Minnesotans covered. But steep premium increases and high deductibles have placed a big financial burden on too many Minnesotans. “MinnesotaCare Buy-In” would offer Minnesotans better health care choices and lower prices – with no expected ongoing costs to taxpayers.
<b>12</b>	<b>Would There Be Any Initial Startup Costs for the State?</b>	Yes. Initially, the state would need a one-time investment to get ready for more people to buy-in to MinnesotaCare. (Last session, this was estimated to be about \$12 million.) After that initial down payment, the entire cost of MinnesotaCare Buy-In coverage should be paid for by the premiums of those who purchase the coverage.
<b>13</b>	<b>Who Would Provide MinnesotaCare Buy-In Plans?</b>	All health plans that contract with the Department of Human Services for MinnesotaCare and Medical Assistance would be required to offer MinnesotaCare Buy-In. MinnesotaCare Buy-In would be delivered through either: 1) the health plans as part of the Department of Human Services’ managed care contracts; or 2) an accountable care organization.
<b>14</b>	<b>What Levels of Coverage Could Minnesotans Choose with MinnesotaCare Buy-In?</b>	Minnesotans could purchase one of these two options through MinnesotaCare Buy-In: <ul style="list-style-type: none"> <li>• Silver plans that cover 70 percent of health care expenses; or</li> <li>• Gold plans that cover 80 percent of health care expenses.</li> </ul>
<b>15</b>	<b>Would the State of Minnesota Need Federal Approval to Implement MinnesotaCare Buy-In?</b>	Yes. Creating a MinnesotaCare Buy-In option for Minnesotans to purchase through MNsure with tax credits would require approval from the federal government. Minnesota would also need a federal waiver in order to ensure there would be no negative impact on federal Basic Health Plan funding, and that the MinnesotaCare Buy-In option would comply with federal law. This is one of the key reasons it is so important that the Legislature pass this proposal by March 1, 2018.

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**What about the concerns that the Buy-In will reimburse providers at much lower rates than commercial plans? Will the payments be enough to ensure sustainability of our provider system?**

Governor Dayton's 2018 proposal addresses this concern by increasing rates to Medicare-levels. The costs associated with increased provider reimbursement is expected to be built into the premium.

Furthermore, the MinnesotaCare Buy-In gives Minnesota an opportunity to expand its efforts to innovate with better care and lower costs—specifically through its Integrated Health Partnership program. This allows providers more opportunity to earn higher payments based on their ability to deliver quality patient care efficiently.

Minnesota has already saved \$212 million in the last three years in its public health care programs, through this initiatives.